

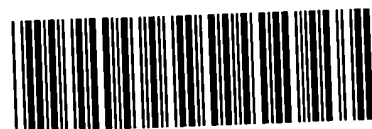
# **TNT EUROPEAN AIRLINES LIMITED**

## **Reports and financial statements**

31 May 2016

Registered number 1628529

TUESDAY



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## **Corporate Information**

*TNT EUROPEAN AIRLINES LIMITED*

*Registered number 1628529  
31 May 2016*

### **Directors**

J N Clarke  
R Peto

### **Registered Office**

TNT Express House  
Holly Lane  
Atherstone  
Warwickshire  
CV9 2RY

### **Auditors**

Ernst & Young LLP  
No.1 Colmore Square  
Birmingham  
B4 6HQ

## **Strategic and directors' report for the seventeen months ended 31 May 2016**

### **Strategic report for the seventeen months ended 31 May 2016**

The Directors present their strategic report for TNT European Airlines Limited, for the period ended 31 May 2016.

#### **Review of business**

The results for the seventeen months show a loss on ordinary activities before taxation of £141,000 (2014: profit £99,000) as described on page 7.

In December 2015 the four aircraft which the Company had leased to other Group entities were sold.

On the 25 May 2016, TNT Express NV, the ultimate parent entity for the Company was acquired by FedEx.

As a result of the acquisition the ultimate parent entity at the date of signing of these accounts is FedEx Corporation, USA. Further details on the ultimate parent company is disclosed in note 15.

#### **Key performance indicators ("KPIs")**

As the Company no longer trades externally and its affairs are sufficiently simple, the Directors believe that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### **Principal risks and uncertainties**

Due to the fact that the Company no longer trades, there are not deemed to be any risks or uncertainties that are not mitigated by internal financing policies.

### **Directors' report for the seventeen months ended 31 May 2016**

The Directors present their annual report, and the audited financial statements, for the period ended 31 May 2016.

#### **Principal activities and future developments**

The principal activity of the Company until December 2015 was the chartering and leasing of four BAe 146 QT aircraft, three of which were held under finance lease by the Company. All aircraft were sold in December 2015. The Company no longer trades and the Directors do not envisage changing from this position in the foreseeable future and are currently reviewing the future of the Company.

Following the cessation of its trade during the period, the Directors' have determined that the Company will commence a members' voluntary liquidation during 2017. Accordingly, the financial statements for the period ended 31 May 2016 have been prepared on a break-up basis.

The Directors has re-assessed all asset carrying amounts as at 31 May 2016 (total carrying value £25,176,000) and have presented all asset values in the Balance Sheet on the basis that they are expected to be realised in the short-term and other than in the normal course of business. All amounts of liabilities as at 31 May 2016 (total carrying value £nil) have been re-assessed on the basis that they are expected to be settled in the short-term. These liabilities are expected to be settled or otherwise discharged at their carrying value. No adjustments to the financial statements have been considered necessary following these assessments.

#### **Results and dividends**

On 13 February 2017 £5,100,000 of the Company's retained earnings were distributed by way of a dividend to the Company's immediate parent undertaking, TNT Holdings (UK) Limited. The Directors' expect that the remaining company's share capital and reserves will be distributed to the immediate parent undertaking, TNT Holdings (UK) Limited prior to liquidation. No material proceeds or liabilities are expected to arise following this distribution.

**Strategic and Directors' report for the seventeen months ended 31 May 2016  
(continued)**

**Directors' report for the seventeen months ended 31 May 2016 (continued)**

**Business risk**

Due to the fact that the Company no longer trades, there are not deemed to be any risks or uncertainties that are not mitigated by internal financing policies.

**Financial risk management**

The Company has internal interest bearing assets. As the Company's financing and operations are internal to the TNT Express BV Group, any financial risks are mitigated by internal policies and controls.

**Directors**

The Directors of the Company who served during the period ended 31 May 2016, and up to the date of signing the financial statements, were as follows:

J N Clarke	
JC Downing	(resigned 31 March 2015)
SE Barnes	(resigned 31 July 2015)
R Peto	(appointed 1 April 2015)
M Culver	(appointed 1 August 2015 and resigned 10 June 2016)

**Directors' third party indemnity provision**

The Directors benefit from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework.'

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**Strategic and Directors' report for the seventeen months ended 31 May 2016  
(continued)**

**Directors' report for the seventeen months ended 31 May 2016 (continued)**

**Disclosure of information to auditors**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he is obliged to take as a Director, in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

**Independent Auditors**

In accordance with s485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors will be will be proposed at the next board meeting.

The strategic report and Directors' report were approved by the board on 24 February 2017 and signed on its behalf by



**R Peto**  
*Director*

## **Independent auditors' report**

### **to the members of TNT European Airlines Limited**

We have audited the financial statements of TNT European Airlines Limited for the period ended 31 May 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements have been prepared on a break-up basis.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and *International Standards on Auditing (UK and Ireland)*. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report(continued)**  
**to the members of TNT European Airlines Limited**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Ernst & Young LLP*

Helen McLeod-Jones (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Birmingham  
27 February 2017



**Statement of comprehensive income**

		<b>For period ended</b>	
		<b>31 May 2016</b>	<b>31 December 2014</b>
		<b>£000</b>	<b>£000</b>
<b>Turnover</b>	<i>Note</i> <b>4</b>	<b>1,494</b>	<b>1,621</b>
Cost of sales		<b>(1,407)</b>	<b>(1,525)</b>
<b>Gross profit</b>		<b>87</b>	<b>96</b>
Administration expense		<b>–</b>	<b>–</b>
<b>Operating profit</b>	<b>5</b>	<b>87</b>	<b>96</b>
<b>Exceptional items</b>			
Net loss on sale of tangible fixed assets	<b>7</b>	<b>(545)</b>	<b>–</b>
<b>(Loss)/Profit on ordinary activities before interest</b>		<b>(458)</b>	<b>96</b>
Interest receivable and similar income	<b>8</b>	<b>317</b>	<b>3</b>
<b>(Loss) / profit on ordinary activities before taxation</b>		<b>(141)</b>	<b>99</b>
Tax credit on ordinary activities	<b>9</b>	<b>92</b>	<b>180</b>
<b>(Loss)/Profit for the financial period attributable to owners of the Company</b>		<b>(49)</b>	<b>279</b>
<b>Total comprehensive( charge)/ income for the period attributable to owners of the Company</b>		<b>(49)</b>	<b>279</b>

All amounts relate to discontinued operations.

The notes on pages 10 to 16 form part of these financial statements.

**Statement of financial position**

	<i>Note</i>	As at 31 May		As at 31 December	
		2016 £000	2016 £000	2014 £000	2014 £000
<b>Non-current assets</b>					
Plant and equipment	10		-		4,550
<b>Current assets</b>					
Trade and other receivables due within one year	11	25,176		-	
Trade and other receivables due over one year	11	-		21,004	
		<u>25,176</u>		<u>21,004</u>	
<b>Creditors: amounts falling due within one year</b>					
	12	-		(237)	
<b>Net current assets</b>			<u>25,176</u>		<u>20,767</u>
Total assets less current liabilities			25,176		25,317
Provision for liabilities	13		-		(92)
<b>Net assets</b>			<u>25,176</u>		<u>25,225</u>
<b>Capital and reserves</b>					
Called up share capital	14		20,000		20,000
Retained earnings			5,176		5,225
<b>Equity attributable to owners of the Company</b>			<u>25,176</u>		<u>25,225</u>

The financial statements on pages 10 to 16 were approved by the board of Directors on 24 February 2017 and were signed on its behalf by:



**R Peto**  
Director

**Statement of changes in equity**

**Attributable to owners of the parent**

	<b>Called up share capital £000</b>	<b>Retained Earnings £000</b>	<b>Total £000</b>
<b>At 1 January 2014</b>	20,000	4,946	24,946
Total comprehensive income for the financial year	-	279	279
<b>At 31 December 2014</b>	<u>20,000</u>	<u>5,225</u>	<u>25,225</u>
Total comprehensive charge for the financial period	-	(49)	(49)
<b>At 31 May 2016</b>	<u><u>20,000</u></u>	<u><u>5,176</u></u>	<u><u>25,176</u></u>

**Notes to the financial statements for year ended 31 May 2016 (continued)****1 General Information**

TNT European Airlines Limited is a private limited company incorporated and domiciled in England and Wales. The principal activities of the Company are set out in the Directors' report on page 2. The address of the registered office is given on page 1.

**2 Summary of Significant Accounting Policies*****Basis of preparation***

The accounting policies that follow set out the policies that apply in preparing the financial statements for the period ended 31 May 2016. These policies have been consistently applied to all the periods presented, unless otherwise stated.

It is managements' intention to commence and complete a members' voluntary liquidation within 12 months of these financial statements being prepared and before the filing deadline of the next accounting period. As such no other financial statements will be prepared for either of these entities.

The financial statements of the Company have been prepared under the historical cost convention. As explained in the Directors report, the Directors do not consider the Company to be a going concern, and have therefore prepared the financial statements on a break up basis. There has been no financial impairment of the Company's assets as a result of a break up basis of valuation. The financial statements have been prepared in accordance with International Financial Reporting Standards (FRS101) as adopted by the European Union and the Companies Act 2006.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The disclosure exemptions adopted by the company in accordance with FRS 101 are as follows:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement;
- (c) the requirements of IAS 7 Statement of Cash Flows;
- (d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- (f) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (g) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of;
- (h) paragraph 79(a)(iv) of IAS 1; and
- (i) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

**Notes to the financial statements for year ended 31 May 2016 (continued)**

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in pounds sterling, which is the functional currency of the Company under IAS 21. All figures are rounded to the nearest thousand, except where otherwise indicated.

**Turnover**Rendering of services

Turnover represents the services provided and is stated net of value added tax. All turnover is attributable to the Company's principal activity.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

**Plant and equipment**

Plant and equipment are stated at cost less depreciation. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following basis;

Aircraft	-	25 years
Aircraft overhaul costs	-	earlier of 10 years and lifetime of aircraft

**Current and deferred income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the financial position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill;
- on an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the financial position date.

The carrying amount of deferred income tax assets is reviewed at each financial position date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Group to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of comprehensive income.

## Notes to the financial statements for year ended 31 May 2016 (continued)

### *Assets acquired under hire purchase and lease agreements*

Assets acquired under hire purchase and finance leases are capitalised with the capital element of the related rental obligations included as liabilities in the statement of financial position. The interest element of the repayments is charged against profit in proportion to the reducing capital element outstanding. The assets are depreciated over their estimated useful life.

### *Assets held for hire under operating leases*

Finance lease assets are recorded as fixed assets and are held for hire under operating leases. Income from operating leases is credited to the retained earnings as incurred on an accruals basis.

### *First time adoption of FRS 101*

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with UK generally accepted accounting practice (UK GAAP). These financial statements, for the period ended 31 May 2016, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to IFRS, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the Company in restating its balance sheet as at 1 January 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 December 2014.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6 – 33 of IFRS 1 "First-time adoption of International Financial Reporting Standards"

There are no transition adjustments between UK GAAP and FRS 101 for reconciliation of total comprehensive income for the year ended 31 December 2014.

## 3 *Critical Accounting Estimates and Judgements*

The Company makes estimates and assumptions in the preparation of the financial statements in line with the applicable standards. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

### *Depreciation plant and equipment*

Plant and equipment are depreciated or amortised at historical cost using a straight-line method based on the estimated useful life, taking into account any residual value. The asset's residual value and useful life are based on company's best estimates and are reviewed, and adjusted if required, at each financial period end.

### *Amounts owed by Group undertakings*

Management evaluated the recoverability of amounts owed by Group undertakings and concluded that no such indicators were present as at the balance sheet date. The recoverability of amounts owed by Group undertakings are assessed by reference to the financial performance and position of the Group undertaking.

## Notes to the financial statements for year ended 31 May 2016 (continued)

### 4 Turnover

The Company's turnover, profit on ordinary activities before taxation and operating assets are derived from the provision of aircraft chartering and leasing services.

All turnover arose within the European Union including the United Kingdom.

	2016 £000	2014 £000
Operating lease income	<u>1,494</u>	<u>1,621</u>

### 5 Operating profit

Operating profit is stated after charging the following:

	2016 £000	2014 £000
<b>Depreciation of tangible fixed assets:</b>		
- owned by the company	273	296
- held under finance leases	<u>1,134</u>	<u>1,229</u>

Auditors' remuneration of £14,500 (2014: £9,000) in respect of auditing of the financial statements has been borne by TNT UK Limited.

### 6 Staff costs and Directors' emoluments

The Company has no employees other than the Directors (2014: none). During the current and preceding financial period the Directors have neither received nor waived any remuneration for their services to the Company and have not accrued any pension benefits under either defined benefit or contribution schemes. Remuneration has been paid to the Directors by TNT UK Limited and not recharged.

### 7 Exceptional items

	2016 £000	2014 £000
Net loss on sale of tangible fixed assets	<u>545</u>	<u>-</u>

In December 2015 the four aircraft which the Company had leased to other Group entities were sold giving rise to a loss on disposal of £545,000.

### 8 Interest receivable and similar income

	2016 £000	2014 £000
Interest receivable from Group undertakings	316	3
Other interest receivable	1	-
Interest receivable from Group undertakings	<u>317</u>	<u>3</u>

**Notes to the financial statements for year ended 31 May 2016 (continued)****9 Tax on profit on ordinary activities****a) Tax charged / (credited) in the statement of comprehensive income**

	<b>2016</b>	2014
	<b>£000</b>	£000
<b>Current tax</b>		
UK corporation tax expense	0	237
Adjustments in respect of prior periods	1	(71)
	<u>1</u>	<u>166</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(92)	(64)
Change in tax rate	(1)	4
Adjustments to prior periods	-	(286)
<b>Total Deferred tax</b>	<u>(93)</u>	<u>(346)</u>
<b>Total tax credit</b>	<u>(92)</u>	<u>(180)</u>

**b) Reconciliation of income tax (credit) to accounting profit**

The tax assessed for the period is higher than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	<b>2016</b>	2014
	<b>£000</b>	£000
(Loss)/profit on ordinary activities before taxation	<u>(141)</u>	<u>99</u>
Charge at 20.25% (2014: 21.50%)	(29)	21
Effects of:		
Taxable income not included in accounting profit	783	152
Adjustments in respect of prior periods	1	(357)
Change in tax rate	(1)	4
Group loss relief received from non payment	(846)	-
<b>Total credit for the period</b>	<u>(92)</u>	<u>(180)</u>

**Factors that may affect future tax charges**

On 1 April 2015 the rate of UK corporation tax was reduced from 21% to 20%.

From 1 April 2017 the rate of UK corporation tax will be reduced from 20% to 19%, and subsequently to 17% from 1 April 2020.



**Notes to the financial statements for year ended 31 May 2016 (continued)****10 Plant and equipment**

	<b>Aircraft &amp; overhaul costs £000</b>
<b>Cost</b>	
At 1 January 2015	49,187
Disposals	(49,187)
<b>At 31 May 2016</b>	<u>-</u>
<b>Accumulated Depreciation</b>	
At 1 January 2015	44,637
Charge for the period	1,407
Disposals	(46,044)
<b>At 31 May 2016</b>	<u>-</u>
<b>Net book value</b>	
<b>At 31 May 2016</b>	<u>-</u>
At 31 December 2014	<u>4,550</u>

The cost and accumulated depreciation relating to assets which are held for hire to a Group company under operating leases are £nil (2014: £49,187,000) and £nil (2014: £44,637,000) respectively.

The net book value at 31 May 2016 includes £nil (2014: £ 3,583,000) in respect of assets subject to hire purchase and finance lease agreements held with a Group company. Depreciation thereon for the period was £1,134,000 (2014: £1,229,000).

**11 Trade and other receivables**

	<b>2016 £000</b>	<b>2014 £000</b>
Amounts due from Group undertakings	<u>25,176</u>	<u>21,004</u>

Amounts due from Group undertakings are unsecured and have no fixed date of repayment but can be recalled at any time. BMG interbank interest is charged at the daily Euribor rate. No interest is charged on current accounts in the period (2014: Nil).

**12 Creditors: amounts falling due within one year**

	<b>2016 £000</b>	<b>2014 £000</b>
Group relief payable	<u>-</u>	<u>237</u>

The Company has a policy of transferring the liability for tax losses surrendered by way of Group relief through the inter company account at the appropriate tax rate.

**Notes to the financial statements for year ended 31 May 2016 (continued)**

**13 Provision for liabilities**

<b>Deferred Tax</b>	<b>2016 £000</b>	<b>2014 £000</b>
At beginning of the period	92	438
Additional provision in the period		
Utilisation of provision		(346)
Release of provision	(92)	
At end of the period	<u>-</u>	<u>92</u>

Deferred tax provision included in the statement of financial position is as follows:

	<b>2016 £000</b>	<b>2014 £000</b>
Accelerated capital allowances	<u>-</u>	<u>92</u>

**14 Called up share capital**

**Ordinary shares of £1 each**

<b>Allotted and fully paid</b>	<b>£000</b>	<b>£000</b>
At 31 May 2016 and 31 December 2014 (20,000,000 in issue)	<u>20,000</u>	<u>20,000</u>

**15 Ultimate parent undertaking**

The immediate parent undertaking of TNT European Airlines Limited is TNT Holdings (UK) Limited. The ultimate parent undertaking and controlling party at the financial position date is FedEx Corporation, a company incorporated in The USA, which was the parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of the consolidated financial statements of FedEx Corporation may be obtained from FedEx Investor Relations, 942 South Shady Grove Road, Memphis, Tennessee 38120, USA.